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Finance Committee Minutes 02-12-2003

ARLINGTON FINANCE COMMITTEE

MINUTES OF MEETING

7:30 PM O'Neill Room, COMMUNITY SAFETY BUILDING

2/12/03

ATTENDEES:

Janowitz	Feinleib	O'Riordan*	O'Neill*	Mahoney*
DeCoursey*	Connors	Simmons*	Morrisette*	
Tosti*	Foskett*	Deyst*	Ronan*	
Piandes	Franclemont	Jones	Olsen*	
DuBois*	Howard*	Fanning*	Tosi*	Kneeland*

* Indicates present

VISITORS: Andrew Fischer, Gail Stone, Chair of the Transportation Committee Ed Starr, Paul Deyer

MINUTES of 2/3/03, 2/5/03, 2/10/03 accepted. Unanimous

BOARD OF SELECTMEN BUDGET TASK GROUPS: The Chair appointed the following members to the Task Groups formed by Board of Selectmen vote on Monday [Feb. 10]:

SPED Residential Programs - Fanning
 Health Insurance - Feinleib
 Pensions - Foskett
 State Aid - Tosti
 Reserves – Olsen

ARTICLE 16 HOME RULE LEGISLATION/PROPERTY INSURANCE: Fischer discussed, using a handout, the possibility of offering a townwide property insurance plan. He believes the payments made by insurance companies on Arlington claims are far less than the premiums paid. Payments made to a town plan might be used to partially offset police, fire and inspection services. He expects that the town would self-insure for normal claims and reinsure for large claims. He suggested a commercial insurance company would handle the paperwork as health insurance is handled now. Fischer knows of no similar plan elsewhere in the country.

VOTED to make no recommendation. Unanimous.

ARTICLE 15 HOME RULE LEGISLATION/HEALTH INSURANCE: Fischer discussed, using a handout, the possibility of expanding the present Town employee health insurance plan to cover residents. Resident membership in the plan would be voluntary. The expansion might lower rates by reducing the average age of participants. Fischer knows of similar plans that work in isolated communities and in Third World countries.

VOTED to make no recommendation. Unanimous.

ARTICLE 64 HASI CONSTRUCTION PAYMENT: Stone, referring to a letter she sent to the Finance Committee, said her husband took out a construction permit to demolish and rebuild at 339 Mystic St., for which he paid \$930. Six months

later the owner decided not to proceed. The Finance Committee also received a letter from the building inspector saying that because he had done the work required and issued the permit no refund was due. Stone said she had gone to the Town Counsel, who recommended a 10-registered-voter article.

VOTED that O'Neill ask the Town Counsel why he had recommended Town Meeting action rather than small claims court and report by 2/25. 11-2

ARTICLE 62 TRANSPORTATION STUDY: Starr, using a handout, reviewed the 10 top projects on the committee's list for FY04. These are in addition to answering questions posed by the Board of Selectmen.

VOTED no action. Unanimous.

BUDGET POLICY: The Finance Committee discussed the budget information made available on Monday [Feb. 10]. This budget, prepared based on October's information shows a deficit of \$2m. The deficit would be \$13m w/o cuts. Foscett reported that the meeting between the MMA and the governor, which he attended with Selectman Lyons, offered no relief from the state. Finance Committee members are concerned that the pension budget estimate is too large. Foscett to request an estimate based on delaying full funding to the legal maximum. Fanning reported that Kale has presented the School Committee with cuts that meet the \$13m level-service deficit. Fanning provided copies of a letter from the Commissioner of Education that establishes a moratorium on accepting new projects for reimbursement. This affects Stratton and Thompson. Members voiced concern that the Board of Selectmen has made no effort to set a budget policy either for the size of reductions or for revenue-raising steps.

VOTED to approach the budget review with the goal of reducing the \$13m level service through budget reductions only. Tosti to provide O'Neill formula reductions for each department.

RESERVE FUND BALANCE: \$300,000

Peter B. Howard, Secretary 2/13/03

Budget & Article Action Summary

